



WASHOE COUNTY

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STAFF REPORT

BOARD MEETING DATE: September 23, 2014

DATE: August 13, 2014
TO: Board of County Commissioners
FROM: Kristy Lide, Curator, Community Services Department, Wilbur D. May Museum, 785-5961, klide@washoecounty.us
THROUGH: Eric Crump, Division Director, Operations
Community Services Department, 328-2182, ecrump@washoecounty.us
SUBJECT: Approve a Traveling Science Exhibition Agreement [\$68,000.00] between Washoe County and Advanced Animations, LLC for the 2015 Spring Exhibit at the Wilbur D. May Museum entitled GROSSOLOGY.
(Commission District 3.)

SUMMARY

Each spring since 1992, the Wilbur D. May Museum has brought in traveling, interactive exhibits. The exhibits are chosen for their general appeal to the community and to compliment the curriculum of the Washoe County School District's primary grades. The spring exhibit has accounted for an average of nearly 50% of the museum's operating income in the last five years. The GROSSOLOGY exhibit is tentatively scheduled to open January 3, 2015 thru April 19, 2015. The agreement and exhibit budget are attached.

Washoe County Strategic Objective supported by this item: Sustainability of our financial, social and natural resources.

PREVIOUS ACTION

September 2, 2014 – Open Space and Regional Park Commission recommended approval of an Exhibition Agreement between Washoe County and Advanced Animations, LLC for the 2015 Spring Exhibit at the Wilbur D. May Museum entitled "GROSSOLOGY".

November 12, 2013 – Board of County Commissioners (Board) approved an Exhibition Agreement [\$36,750] between Washoe County and WonderWorks Exhibits Company, Inc.; and approved Origins Museum Institute Standard Letter of Agreement [\$25,000] between Washoe County and Origins Museum Institute for the 2014 Spring Exhibit at the Wilbur D. May Museum entitled "Treasure: Riches, Rogues, and Relics."

January 22, 2013 - Board approved an Exhibition Agreement [\$57,500] between Washoe County and WonderWorks Exhibits Company, Inc. for the 2013 spring exhibit at the Wilbur D. May Museum entitled "Creatures".

AGENDA ITEM # 61

October 25, 2011 – Board approved a Letter of Agreement [\$42,750] between Washoe County and the Origins Museum Institute for the 2012 spring exhibit at the Wilbur D. May Museum entitled “King Tut: Wonderful Things from the Pharaoh’s Tomb”.

December 14, 2010 – Board approved a Traveling Science Exhibition Agreement [\$69,500] between Washoe County and Wonderworks for the 2011 spring exhibit at the Wilbur D. May Museum entitled “Dragons and Dinosaurs”.

December 8, 2009 – Board approved an Exhibit Agreement [\$68,000] between Washoe County and Advanced Exhibits Division of Advanced Animations, LLC for the 2010 spring exhibit at the Wilbur D. May Museum entitled “Animal Grossology”.

November 10, 2008 – Board approved an Exhibit Agreement [\$42,700] between Washoe County and Arkansas Museum of Science and History, dba Museum of Discovery, for the 2009 spring exhibit entitled “Predators”; and approval of an Exhibit Agreement between Washoe County and Mace Loftus for curation and provision of live Wild Cats, Wolves, and Snakes [\$32,500] for the Wilbur D. May Museum.

February 12, 2008 – Board approved an Exhibit Agreement [\$46,880] between Washoe County and Adventure Edutainment for the 2008 spring exhibit entitled “Snakes, Bugs and other “Backyard Monsters”; and approved an Exhibit Agreement between Washoe County and Mace Loftus for curation and provision of live snakes and insects [\$22,500] for the Wilbur D. May Museum.

BACKGROUND

The Wilbur D. May Museum is operated within the Other Restricted Fund and is partially funded via an annual operating grant from the Wilbur May Foundation. A portion of the Museum’s operating expense is also recovered from permanent and traveling exhibits, facility reservations, gift store sales, special events, and programming.

The Museum has brought in traveling exhibits similar to the proposed exhibit since 1992. The spring exhibit is chosen for its general appeal to the community and to specifically compliment the curriculum of the Washoe County School District’s primary grades. The GROSSOLOGY exhibit is a very large, exciting and uniquely educational exhibit based on the best-selling GROSSOLOGY series of books written by Sylvia Branzel. GROSSOLOGY is science in disguise, using imaginative interactive exhibits and animated characters set in virtual 3-D. Behind every exhibit is a concept presented in humorous yet scientifically accurate content.

The proposed admission fees will be: adults \$9.00; children and seniors \$8.00, groups of 15 or more \$6.00 per person. As part of the marketing strategy, periodic discounted admission prices and special programs will be offered to promote interest and visitation to the exhibit. There will be specialty items in the Museum Store with all sales generated on behalf of the May Museum operating fund.

FISCAL IMPACT

The cost of the exhibit agreement [\$68,000] includes rental, set-up, take down and shipping, and will be expensed to Other Restricted Fund 270, cost center 640200-710100 (Professional Services). Additional operating costs associated with this exhibit are

estimated to be \$127,200 including direct costs such as seasonal labor, advertising, set design, printing, and rental equipment, and indirect costs to offset expenses associated with full time staff, utilities and insurance. The miscellaneous costs will be posted to cost center 640200 in the appropriate line item expenditure accounts. Total estimated expense of the exhibit is \$195,200. Sufficient appropriations exist in the Fiscal Year 2014-15 May Museum budget.

If the exhibit is well received, estimated admission revenue, including gift store revenue, is \$96,000. In addition, the Wilbur May Foundation has underwritten this exhibit in the amount of \$100,000; a total estimated revenue of \$196,000. Revenue was anticipated and included in the Fiscal Year 2014-15 budget.

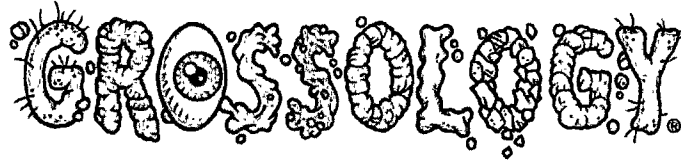
Exhibits of this type are a risk. If the public and organized groups do not show interest and support the exhibit, a net operating loss could be incurred. The majority of the traveling exhibits have been well received. Last fiscal year's exhibit, "Treasures" did not perform as expected and as a result Fiscal Year 2013-14 operating revenues for the Museum exceeded revenue in the amount of \$67,831. No budget adjustments are required.

RECOMMENDATION

It is recommended the Board of County Commissioners approve a Traveling Science Exhibition Agreement [\$68,000.00] between Washoe County and Advanced Animations, LLC for the 2015 Spring Exhibit at the Wilbur D. May Museum entitled GROSSOLOGY.

POSSIBLE MOTION

Should the Board agree with staff's recommendation a possible motion would be: "Move to approve a Traveling Science Exhibition Agreement [\$68,000.00] between Washoe County and Advanced Animations, LLC for the 2015 Spring Exhibit at the Wilbur D. May Museum entitled GROSSOLOGY."



Traveling Science Exhibition

AGREEMENT

between

**Washoe County
Community Services Department – Regional Parks
1595 N. Sierra St.
Reno, NV 89503**

and

**Advanced Animations, LLC
300 East Maple Road
Suite 350
Birmingham, MI 48009**

Date: September 2, 2014

THIS AGREEMENT is made and entered into as of the ____ day of September, 2014 between the **Washoe County, a Political Subdivision of the State of Nevada through for the Community Services Department - Regional Parks** (the "**LESSEE**"), whose address is 1595 N. Sierra St., Reno, Nevada 89503 and the **Advanced Animations, LLC ("AA")**, whose address is 300 East Maple Road, Suite 350, Birmingham, MI 48009 referred to collectively in this Agreement as the "Parties".

RECITALS:

WHEREAS, AA has designed and produced a touring exhibition entitled "**GROSSOLOGY**" (the "Exhibit") and **AA** is the exclusive distributor worldwide for the Exhibition, and

WHEREAS, LESSEE wishes to borrow, and **AA** has agreed to lend, the Exhibition for display purposes;

NOW THEREFORE, in consideration of the mutual promises contained herein, the Parties agree as follows:

Article 1 **EXHIBITION PERIOD**

- 1.1 The **LESSEE** is renting the Exhibition based on the following schedule:
 - 1.1.1 Delivery of Exhibition: November 17 and November 18, 2014. **LESSEE** will provide laborers to unload and store the Exhibition into their on-site storage building.
 - 1.1.2 Installation of Exhibition: Two technicians arrive December 15, 2014; installation to be completed December 22, 2014; technicians depart December 23, 2014.
 - 1.1.2 Public Opening Date: January 3, 2015
 - 1.1.3 Public Closing Date: April 19, 2015
 - 1.1.4 De-installation and Removal: April 20 – May 1, 2015
- 1.2 The period commencing at the Public Opening Date and ending at the Public Closing Date shall be known herein as the "Exhibition Event Period."
- 1.3 Details for the delivery/storage, installation, teardown and removal will be coordinated between the parties prior to their start.
- 1.4 Any request to modify any of the above dates must be approved in writing by **AA**.

Article 2 **EXHIBITION CONTENTS**

- 2.1 The Exhibition concept is a "3-D physical participatory" execution based on the content and graphic style as seen in Ms. Sylvia Branzei's book entitled, "**GROSSOLOGY**".

- All exhibition materials are in the American English language.
- 2.2 The Exhibition covers approximately 5,000 square feet in space includes the following:
- 2.2.1 Exhibition Components listed in Schedule A (attached)
 - 2.2.2 Marketing manual including advertising and promotional support materials such as: press releases, promotion ideas, advertising elements, exhibition slides, etc.
 - 2.2.3 Educational Kit for teachers and students (art on disk)
 - 2.2.4 Technical Operation's Manual
- 2.3 Notwithstanding the above, **AA** reserves the right, in its discretion, to modify or vary the item content described above, provided however, that any such modifications shall not substantially change the character of the Exhibition.

Article 3
LESSEE PAYMENTS – LEASE FEE AND OTHER COSTS
(Based on US Dollars)

- 3.1 **LESSEE** agrees to pay **AA** for use of the Exhibition, an Exhibition Lease Fee (the "ELF"), of US\$68,000.00, (Sixty-eight thousand and NO/100 dollars).
- 3.2 **LESSEE** Payment Plan
- The ELF shall be paid as follows:
- A. Non-refundable deposit of the ELF in the amount of \$5,000.00 shall be paid upon execution of this agreement.
 - B. 2nd payment of the ELF in the amount of \$15,000.00 shall be paid upon delivery on December 18, 2014.
 - C. 3rd payment of the ELF in the amount of \$24,000.00 shall be paid by February 15, 2015.
 - D. 4th payment of the ELF in the amount of \$24,000.00 shall be paid by March 15, 2015.
 - E. Miscellaneous expenses payable by **LESSEE** under the terms of this Agreement are to be paid within 30 days of receipt of invoice
- 3.3 **AA** agrees to pay inbound freight directly from its vendor.
- 3.4 **LESSEE** agrees to accept delivery of the Exhibition (if necessary) from the freight carrier, move exhibit elements into on-site storage for the Exhibition until the installation period. Storage space must be indoors, secure, dry, clean and at

acceptable temperatures so as not to damage any exhibit element. **LESSEE** agrees to provide such storage and services at no cost to **AE**.

- 3.5 **LESSEE** agrees to provide an exhibit technician to inspect daily and make routine maintenance/repairs to the exhibition elements at no cost to **AA**.
- 3.6 All payments by **LESSEE** must be in U.S. Dollars. Payment by ACH or wire transfer in accordance with the directions set out in the following bank/transfer information below or as otherwise agreed by the Parties.

Payable to: Advanced Animations, LLC.

Bank Name: RBS Citizens
ABA: 241070417
Account #: 3070078933

Payable to: ADVANCED ANIMATIONS, LLC.

Delivered to: Please forward check payments to the address as follows:

Advanced Animations, LLC
300 East Maple Road, Suite 350
Birmingham, MI 48009

Article 4

AA RESPONSIBILITIES

- 4.1 **AA** will arrange shipping of the Exhibition to and from the **LESSEE**'s site. This includes arranging shipping transportation with a shipping agent and coordination of unloading for setup dates and loading for takedown dates. Every effort will be made to deliver the Exhibition on or before the specified dates, however, **AA** is not responsible for any costs, damages or liability the **LESSEE** may incur as a result of delivery or installation delays. **AA** will arrange for shipping, then freight company will provide invoice directly to **AA** to pay.
- 4.2 **AA** will provide crating and packing materials for shipping the exhibition. **LESSEE** agrees to store these items in a safe place and use the same materials for shipping to the next venue. If any crating/packing materials are lost or damaged while in the **LESSEE**'s possession, **LESSEE** agrees to replace or repair them, at **LESSEE**'s own expense.
- 4.3 **AA** shall provide at no cost to **LESSEE** two Technical Supervisors ("TS") for setup and takedown of the Exhibition. Under normal circumstances, the installation should be completed within 10 days and 8 days for the takedown of the Exhibition.

- 4.4 The Supervisor will train the **LESSEE's** staff during the setup period in the maintenance and demonstration of the Exhibition.
- 4.5 **AA** will conduct a condition inspection of the Exhibition with the **LESSEE** after setup is completed and prior to the opening of the Exhibition. The inspection will include completion of a condition report, which both parties will sign documenting that the Exhibition is in good working order. Prior to takedown, the same inspection process will be repeated. Any damage or excessive wear & tear shall be identified and brought to the attention of the other party.
- 4.6 **AA** expects the Exhibition to leave the **LESSEE's** site in the same condition as it was received, subject to normal wear & tear, and repairs as approved by **AA** during the exhibition period. **LESSEE** agrees to have its exhibit staff clean, refurbish and repair exhibition elements prior to takedown (as necessary) at no cost to **AA**.
- 4.7 **AA** will provide a supply of spare parts with the exhibition. **AA** will review the list of provided spare parts with the **LESSEE**. **AA** will replenish the spare parts inventory as **LESSEE** utilizes the spare parts. **AA** will invoice the **LESSEE** for those spare parts consumed for normal wear & tear and where parts must be replaced due to 3rd party abuse.

Article 5 **LESSEE's RESPONSIBILITIES**

- 5.1 **LESSEE** will timely make all payments as agreed herein.
- 5.2 **LESSEE** agrees that the location for the Exhibition within their premises will conform to the site criteria as defined in Attachment B.
- 5.3 **LESSEE** will fully cooperate with the setup and takedown procedures and any other requirements of the **AA** Supervisor provided with the Exhibition. Also, **LESSEE** will provide the following staff and services at **LESSEE's** own expense, including any overtime, if necessary:
 - 5.3.1 Six (6) qualified technicians to assist in setup and takedown of the exhibition. If additional staff (such as Gallery Attendants) is needed for training, **LESSEE** is expected to coordinate their availability during the setup period.
 - 5.3.2 Equipment, tools and materials necessary to placing Exhibition components in the exhibition site including a forklift & driver, pallet jacks, dollies, ladders, etc.
 - 5.3.3 Position existing facility lighting to enhance exhibition elements.
- 5.4 If **LESSEE** causes any delays in either the installation or takedown periods, **AA** cannot be held responsible for any effect on schedule or delay of Exhibition opening.

- 5.5 **LESSEE** agrees to reimburse AA for any overtime charges or expenses incurred by its Technical Supervisor.
- 5.6 **LESSEE** will provide 24-hour security or an alarmed security system for the Exhibition site while the Exhibition is on the **LESSEE's** premises. **LESSEE** will provide a minimum of one (an additional attendant may be necessary for supervision of the "blue-screen" interactive) trained gallery attendant to supervise the exhibition and to ensure that visitors are properly using (and not abusing) the exhibition elements.
- 5.7 **LESSEE** will pay all operating costs for the Exhibition while it is onsite, including staffing and utilities.
- 5.8 **LESSEE** will provide all lighting necessary to highlight the exhibition elements.
- 5.9 During both the Installation Period and the Exhibition Period, **LESSEE** will supply the necessary electrical requirements to Exhibit area as described in Schedule B, attached hereto and made a part hereof, and will provide appropriate electrician support for hook-up during installation. **LESSEE** shall be responsible for the cost of all electricity and any other power usage during the Exhibition Period.
- 5.10 Due to the highly interactive and technical nature of this exhibition, daily maintenance and care must be provided by the **LESSEE**. The **LESSEE** agrees to comply and follow the daily start-up and shutdown procedures outlined in the Operating Manual provided with the Exhibition. The **LESSEE** agrees to provide, at least, one staff person with expertise in maintaining the exhibit and electronic equipment for maintenance and repair of the Exhibition elements during the entire exhibition period. The **LESSEE**, as specified in the Operating Manual provided with the Exhibition, will complete daily inspections of the exhibition elements to ensure proper working order of the interactives and make any necessary repairs.
- 5.11 **LESSEE** is responsible for repair of normal wear & tear items and replacement parts up to a maximum of \$500.00. **LESSEE** will report any damage, loss or breakage to **AA** within 3 days of occurrence. Any non-routine repair or replacement must be authorized by **AA** in advance; unauthorized repairs or replacements will not be permitted. **LESSEE** will fully cooperate in assisting and completing any repairs as requested by **AA** at no cost to **AA**.
- 5.12 For repairs that are not due to **LESSEE** negligence or third party damage, and **LESSEE** is unable to make such repair successfully under direction of **AA**, then **AA** will send a technician at no cost to **LESSEE** within 48 hours to make the repair. If an **AA** service technician is required to travel to the **LESSEE** site to perform repairs during the exhibition period, **LESSEE** agrees to reimburse **AA** for all such costs if repair is due to **LESSEE'S** negligence or due to third party damage. This includes all labor, transportation, lodging, food and miscellaneous expenses for the Technician per Schedule C.

- 5.13 **AA** will provide an estimate of these costs for the **LESSEE** prior to scheduling such service.
- 5.14 **AA** expects the Exhibition will leave the **LESSEE**'s site in the same condition as it was received, subject to normal wear & tear, and repairs as approved by **AA** during the exhibition period. **LESSEE** agrees to inspect exhibition elements just prior to closing date and have maintenance staff clean and refurbish exhibition so it is in good working condition for the next venue.

Article 6 **MARKETING**

- 6.1 The title of the Exhibition is: **"GROSSOLOGY: The (Impolite) Science of the Human Body"**, and may not be changed without the written consent of **AA**.
- 6.2 **AA** will provide the Exhibition "Marketing Kit" approximately six months prior to the opening date. A CD and disk of all of the marketing elements is provided in the kit. The Marketing Kit includes the following:
- 6.2.1 Publicity materials:
 - Sample Press Release
 - Select Exhibit slides with descriptive information
 - Exhibit Photos
 - Exhibition logo art
 - Exhibition fact sheet and background information
 - B-roll of the exhibit - Beta format and VHS
 - 6.2.2 Advertising support materials (art only):
 - Print advertising art elements
 - Sample of other venue promotional pieces
 - 6.2.3 Educational Package (art only)
 - Teacher's Guide
 - Student Activities
 - Sample ideas from other venues
- 6.3 It is the **LESSEE**'s responsibility to produce a marketing campaign that promotes Exhibition to the public. It should include, by way of example and not limitation, schools and other institutions as well as exposure on newspapers, radio, television, and/or other appropriate media.
- 6.4 Ms. Sylvia Branzei, author of the *GROSSOLOGY* series of books, is available to make "live" appearances to support your publicity efforts and to conduct *GROSSOLOGY* demonstrations at your institution. She's made many presentations at Science Centers and they are always a crowd favorite! Information is included in the Marketing Kit.

Article 7
MERCHANDISE

- 7.1 **LESSEE** agrees to purchase their Gift Store inventory directly from Wholesale Sources.

Article 8
SPONSORS

- 8.1 **AA** is seeking one or two national tour sponsor(s) who will be the "Presenting" sponsor(s) of the Exhibition.
- 8.2 **AA** reserves the right to identify a national sponsor(s) for the Exhibition. The **LESSEE** may solicit and procure local sponsorship of the Exhibition, provided these entities are not in direct competition with any national sponsorship identified by **AA**. If **LESSEE** identifies local sponsors for the Exhibition, **LESSEE** agrees to obtain written permission from **AA** prior to securing the local sponsorship for the Exhibition. **AA** agrees to respond within 3 business days of receipt of request or approval is deemed to have been given.
- 8.3 Notwithstanding the restrictions set forth in Section 8.2 above, if **AA** has not secured a national tour sponsor one-year prior to the opening of the Exhibition at **LESSEE's** site, then **LESSEE** may seek local "Presenting" Sponsorship for the Exhibition.
- 8.4 If National Sponsorship is secured, **AA** will require **LESSEE** to provide appropriate logo identification for National "Presenting" Sponsor on all advertising, publicity, signage and collateral materials associated with the Exhibition, provided that such materials have not yet been produced. **LESSEE** agrees that any National Sponsor logo or reference shall be prominently featured and clearly separated from those of local sponsors. **LESSEE** agrees to work with **AA** to provide and satisfy such sponsor(s) with additional exposure opportunities such as discounted tickets, hosting party, museum tours, etc., to be mutually agreed upon by both parties.
- 8.5 Should National Sponsor(s) product be related to Exhibition theme, **LESSEE** understands that Sponsor product/information may be integrated into Exhibition as deemed appropriate by **AA**. **LESSEE** will also provide space (10'x10'), for Sponsor display in a prominent location. Such display must be approved by **LESSEE** to ensure that it meets **LESSEE's** mission & standard.

Article 9
OWNERSHIP

- 9.1 **LESSEE** agrees that the Exhibition is the sole and exclusive property of **AA**. This includes any rights related to copyright, trademark, industrial design or intellectual property rights.
- 9.2 **LESSEE** will not permit any lien or encumbrance to affect any part of the Exhibition and will immediately remove and discharge any such claims.
- 9.3 **LESSEE** will not duplicate or reproduce any portion of the Exhibition and agrees to not disclose any proprietary information related to the Exhibition to any person or organization, including the exhibition fees and terms of this Agreement.

Article 10 **PUBLICITY AND CREDIT**

- 10.1 **LESSEE** will be responsible for all publicity, promotion and advertising relating to the display of the Exhibition.
- 10.2 **LESSEE** will identify and credit **AA** as the owner and producer of the Exhibition in all publicity, communications and promotional materials relating to the Exhibition. These materials will also provide credit to any sponsors, as requested by **AA** per Article 8. **LESSEE** agrees to provide **AA** with copies of all publicity and promotional materials prior to issuance for **AA** review and approval. **AA** must respond within three business days of receipt or material is deemed approved. **AA's** credit line must read:
- 10.3 This exhibition is based on Planet Dexter's GROSSOLOGY series.
- 10.4 Planet Dexter and GROSSOLOGY are registered trademarks of Penguin Group (USA) LLC
- 10.5 **AA** logos and other identifying marks may only be used by the **LESSEE** for publicity and promotion prior to and during the exhibition period. **LESSEE** will not make any alterations or duplicate any materials provided without prior written approval from **AA**.

Article 11 **INSURANCE**

- 11.1 **AA** will be listed as the loss payee on **LESSEE's** policies. Such policies shall contain endorsements stating that they are primary and not excess over or contributory with any other insurance in force for **AA**, a division of Advanced Animations, LLC.
- 11.2 **LESSEE** will maintain, at its own expense, all risk insurance coverage in the amount of \$1,000,000.00 (subject to the standard exclusions) for the Exhibition for in-bound transit and onsite at **LESSEE's** premises. All claims for loss or damage to the Exhibition must be made in conjunction with **AA** or an authorized representative.

- 11.3 **LESSEE** agrees to maintain commercial general liability and umbrella liability coverage while the Exhibition is onsite. The **LESSEE** is responsible for the cost of insurance coverage and any deductibles, which are part of that coverage. The following are the minimum coverage's, subject to the combined limits of:

\$1,000,000 per occurrence
\$1,000,000 Personal and Advertising Injury
\$1,000,000 General Aggregate
\$1,000,000 Products-Completed Operations Aggregate

- 11.4 **LESSEE** agrees to maintain Worker's Compensation and Employer's Liability. The Employer's Liability Limits must be:

\$500,000 Bodily Injury by Accident Each Person
\$500,000 Bodily Injury by Disease Each Employee
\$500,000 Bodily Injury by Disease Policy Limit

- 11.5 **LESSEE** will place insurance coverage's with insurance companies authorized to do business under the laws of the State or Province where the exhibition will be held. (Policies shall be secured with insurance companies rated at least A-VI by the AM Best Company.)

- 11.6 One month prior to shipment of the Exhibition, **LESSEE** must provide **AA** with an ACORD certificate of insurance evidencing the coverage's outlined above. The certificate will indicate that Advanced Animations, LLC., and Science World British Columbia are added as additional insured under the Commercial General and Umbrella Liability policies. **LESSEE** will provide thirty (30) days notice to **AA**, through certified mail, if coverage is cancelled, non-renewed or limits reduced. Failure to comply with this provision may result in a delay of shipment.

Article 12 **INDEMNIFICATION**

- 12.1 **LESSEE** will indemnify, hold harmless and defend **AA**, Advanced Animations, LLC., and its directors, officers, employees and agents (including Science World British Columbia) from and against all claims, demands, losses, expenses (including but not limited to attorney's fees), damages, actions, suits or other proceedings by any person or organization, attributable to anything done or omitted to be done by **LESSEE's** negligence in connection with the use of the Exhibition at **LESSEE's** premises. Additionally, **LESSEE** agrees **AA** will not be liable for any incidental, indirect, special or consequential damages, financial injury or any loss of use, revenue or profit of **LESSEE** in cases of negligence by **LESSEE**.
- 12.2 **AA** will indemnify, hold harmless and defend **LESSEE** from and against all claims, demands, losses, expenses (including but not limited to attorney's fees), damages,

actions, suits, or other proceedings by anything done or attributed to done or omitted to be done in connection with the design or fabrication of the exhibition used at the **LESSEE's** premises. Additionally, **AA** agrees **LESSEE** will not be liable for any incidental, indirect, special or consequential damages, financial injury or any loss of use, revenue or profit of **AA** in cases of negligence by **AA**.

Article 13

DEFAULT AND TERMINATION

- 13.1 If either party defaults on any provision of this Contract, the other party agrees to provide written notice of the default. The defaulting party shall have 30 days to remedy the default. If the default is not remedied within 30 days, the demanding party may terminate this agreement. In the event of default and upon request from **AA**, **LESSEE** agrees to fully cooperate with returning the Exhibition to **AA** or any place designated by **AA**.
- 13.2 If the default is due to **LESSEE** canceling the booking, **LESSEE** shall forfeit all payments made to the date of notice of cancellation. If the Exhibition is rescheduled at another venue, **AA** may refund payment equal to the lease payment for the rescheduled booking dates, less the non-refundable deposit. If **AA** is unable to re-book exhibition for cancelled period, then **LESSEE** is responsible to pay the Exhibition Lease Fee in full on the planned Opening Date.
- 13.3 If **AA** determines it is no longer feasible to travel the Exhibition, **AA** reserves the right to cancel the booking if the cancellation notice is provided at least six months prior to the Public Opening Date as defined hereinabove. **AA** will not be held liable for any costs incurred by the **LESSEE** in preparation for the Exhibition or any other damages. If **AA** cancels the booking, it will return all deposits/payments, without interest on the refunded amounts.

Article 14

OTHER PROVISIONS

- 14.1 Rights and obligations of the parties will be governed and construed by the laws of the State of Nevada, USA. The parties agree that any action or legal proceeding will occur within the jurisdiction of Nevada. If any portion of this agreement is held invalid or unenforceable, all other provisions will remain valid and enforceable independently.
- 14.2 Neither party may assign the rights or obligations arising under this agreement to any other party without the consent of the non-assigning party. Notwithstanding the foregoing, either party may assign this Agreement as part of a merger, acquisition or other reorganization. In the event of proper assignment, this Agreement shall be binding upon and inure to the benefit of the Parties' successors and assigns.

14.3 This agreement represents the entire agreement between the parties. Any amendments or changes must be in writing and signed by both parties. A waiver of any portion of this agreement on the part of either party must be in writing. The parties agree that any waiver will not be a waiver of any other terms of the agreement and both parties will conform and comply with all other provisions.

14.4 All communications are to be addressed to:

FOR AA:

Jan Shoener, Senior Account Executive
Advanced Animations, LLC
300 East Maple Road
Suite 350
Birmingham, MI 48009
Telephone: (248) 646-8731 ext. 12

FOR LESSEE:

Eric Crump, Division Director of Operations
P.O. Box 11130
Reno, Nevada 89520
Telephone: (775) 328-2182
Fax: (775) 328-2110
Email: ecrump@washoecounty.us

Unless either party specifies a different address in writing.

14.5 Neither party will be liable for failure to perform if the failure is caused by changes in public regulations, labor difficulties, transportation delays, acts of God or any cause beyond the control of the parties. **AA** will not be liable for loss or damage due to delivery delays, setup or takedown of the Exhibition resulting from any cause beyond the control of **AA**.

14.6 In the event of a dispute regarding the terms of this Agreement, the Parties agree to attempt to resolve the dispute by means other than litigation. As the first step in informal dispute resolution, each party will designate a representative and mutually agree on a third party to form a three-person dispute resolution team. The team will consider the dispute and will make a consensus recommendation to the Parties. In the event that the Parties cannot agree to the consensus recommendation or in the event that the team is unable to arrive at a consensus recommendation, then the Parties agree to submit the dispute to non-binding arbitration to be conducted in accordance with the uniform rules of the American Arbitration Association.

14.7 If **LESSEE** fails to timely pay any amounts due to hereunder, shall be entitled to secure payment of any remaining amounts due under the Agreement by, among other things, filing a security interest in the assets of **LESSEE** and notice thereof with the

appropriate departments therefor and to enforce such interest if **LESSEE** refuses or fails to make its payments.

- 14.8 In any dispute decided by court, in Bankruptcy, or by arbitration, the prevailing party is entitled to its reasonable attorney fees and costs, including those incurred on appeal.
- 14.9 The Parties to this Agreement will be acting in an independent capacity and not as agents, employees, partners, joint ventures, or associates of one another. The employees or agents of one party shall not be deemed or construed to be the agent or employee of the other party for any purpose whatsoever.
- 14.10 **AA** agrees to protect **LESSEE** from any claims of trademark, copyright or patent infringements.

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement on this 3rd
day of September, 2014.

Advanced Animations, LLC

Jan Shoener
Jan Shoener, Senior Account Executive

9.3.2014
Date

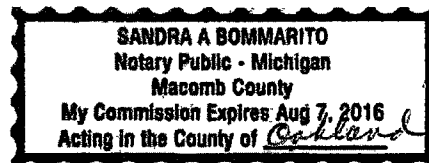
STATE OF MICHIGAN)

: ss.

COUNTY OF OAKLAND)

On this 3 day of SEPTEMBER, 2014,
JAN SHOENER personally appeared before me, a Notary Public, and
acknowledged to me that he executed the above instrument for the purpose therein
contained.

Sandra A Bommarito
Notary Public



WASHOE COUNTY, NEVADA

Acting by and through its Board of County Commissioners

David Humke, Chairman

Date

Attest:

County Clerk

Schedule A

GROSSOLOGY EXHIBIT Exhibition Content

Note: Following list should be used as a guideline and may be modified as determined by AA. AA reserves the right to add, delete or modify as long as the exhibition maintains a level of quality and content as generally presented.

Exhibit Elements (Components)

- Theming: The objective is to bring the *GROSSOLOGY* book to 3-D life through the use of an oversized book cover and pages to frame major interactive areas. Graphics from book will be used to décor the Exhibit space.
- The Entry: Themed transition area featuring oversized *GROSSOLOGY* book featuring “Her Grossness”, our animated author who will provide a short introduction to *GROSSOLOGY*. Visitors “walk-through” a giant mouth entry portal into the exhibition.
- Interactives (a minimum of 14 exhibits with multiple stations):

Walk-through Nose	77,847
Animated Nose Plumber	84,360
<i>GROSSOLOGY</i> CD-rom area	18,822
Climbing Skin Wall	70,122
Let’s Play <i>GROSSOLOGY</i> !	71,485
GI Slide	80,671
Belch Man	72,023
Vomit Center	63,010
Urine The Game	69,094
Toot Toot	37,412
Yu Stink	25,755
Up Your Nose	64,829
Gas Attack pinball game	60,855
Listen To Your Body	26,903
Look Inside	34,398
Patients Please!	29,396
Entrance Gallery	89,018
Gen’l packing & crating material	24,000
- Gross Factoids: 40-60 Science/Health/Cultural factoids will be featured on the front and back of the giant book pages to emphasize educational science and health facts.

Schedule B

GROSSOLOGY EXHIBITION Venue Exhibition Specifications

Space Requirements:

- Exhibition hall 5-6,000 sq. ft.
- Ceiling clearance 10 ft.
- Door access outside 8 ft. x 8 ft.
- Internal passageway 8 ft. x 8 ft. (turning radius for 10' long items)
- Elevator 10 ft. x 8 ft. x 10 ft. (depth)
- Crates storage Minimal space required
- Electrical 110 volt three phase and 208/220 volt single phase service
Overhead lighting to each module location
Animations require compressed dry air
Electrical power for most components
- Water and Air Compressed dry air source (provided by AA)
To be stored on site.
- Climate Control Air conditioned, well ventilated and thermostatically regulated between 50 and 75 degrees Fahrenheit.
- Equipment Forklift for installation and takedown
Pallet jacks, dollies, ladders and misc. tools
- LESSEE Staffing Exhibition Supervision: 1-2 gallery attendants
Installation: 6 qualified persons
Takedown: 6 qualified persons
Maintenance: 1 qualified person

Schedule C

GROSSOLOGY EXHIBITION Technician Trip Expense

The reimbursement payment plan applies to "Service" situations where the **LESSEE** is responsible for payment.

I. Technician(s) Expense Schedule - Estimated

Travel Expense Reimbursement Policy

Our technical staff is based in Stockbridge, Vermont.

- When traveling by airlines, staff/technicians will travel under "coach" or lesser fares. First Class travel will not be allowed and every attempt will be made to arrange travel as early as possible to secure best discount rate available.
- Staff/technicians will be allowed a per diem rate not to exceed the currently published GSA rates for Reno, Nevada to cover expenses for hotel and food.
- Car rental (intermediate size vehicle) expense will be reimbursed at actual cost incurred, not to exceed the currently published GSA rates for Reno, Nevada. Taxis may be used in lieu of car rental as long as cost does not exceed cost of car rental, receipts must be provided.
- Misc. expenses such as ground transportation, exhibit cleaning supplies, and exhibit related freight/postage, etc. will be billed at actual cost incurred
- Technician hourly labor rate @ \$50/hr.
- Technician hourly rate for "service" is \$75.00/hr.